

**STATE PETROLEUM BOARD MEETING TO REVIEW CLAIMS
BOARD MEETING MINUTES
March 8, 2007**

I. CALL TO ORDER

The meeting was conducted via videoconference with locations in Las Vegas at the Community College of Southern Nevada, (Room 2638) 3200 E. Cheyenne Ave., and in Reno at the Washoe County District Health Department Building, Room B, 1001 East 9th Street. Chairman Haycock called the meeting to order from the Las Vegas location at 10:00 a.m.

- A. LAS VEGAS: BOARD MEMBERS PRESENT** – Chairman John Haycock; Mr. John Meeters; Ms. JoAnne Blystone.

OTHERS PRESENT IN LAS VEGAS – State Attorney General's office Mr. David Newton; from NDEP (Nevada Division of Environmental Protection), Mr. J D Dotchin; Ms. Marlene Huderski; and Ms. Shannon Harbour; from TRC/Concord, Ms. Terre Maize and Ms. Audre Puskorius; from ATC Associates, Mr. Rex Heppe and Mr. Lawrence Banks; from SECOR, Mr. Matthew Grandjean; from 7-Eleven, Mr. Shane Partridge; from Broadbent and Associates Inc., Mr. Kirk Stowers; from Lionel Sawyer and Collins, Ms. Linda Bullen; from Stewart Environmental, Mr. Keith Stewart.

RENO: BOARD MEMBERS PRESENT – Ms. Linda Bowman; Ms. Karen Winchell (for Mr. Edgar Roberts) DMV (Department of Motor Vehicles, Motor Carrier Section); Mr. Jim Najima (for Mr. Leo Drozdoff) NDEP.

OTHERS PRESENT IN RENO – from NDEP Mr. Gil Cerruti; Ms. Victoria Joncas; Mr. Hayden Bridwell and Mr. Steve Fischenich; from Broadbent and Associates, Mr. Doug Guarrant; from Berry Hinckley Industries, Mr. Ken Stevens; from Allied Washoe Petroleum, Mr. Mike Cox; and from McGinley and Associates, Mr. Joe McGinley.

II. APPROVAL OF THE AGENDA

Mr. Cerruti advised Board members that Item No. V.D., Resolution No. 2007-05 to Deny Petroleum Fund Coverage to the S & S Mini Mart, Petroleum Fund Case ID No. 2007000015 has been withdrawn from the Agenda.

Item No. V.C., Resolution No. 2007-03, 7-Eleven #22272, Petroleum Fund Case ID No. 2007000009 has been postponed. The author of the Resolution, Mr. Steve Fischenich stated that Item No. V.C. was being withdrawn at this time due to additional information that was brought to his attention after the Resolution was prepared.

Ms. Blystone moved to approve the Agenda. Ms. Bowman seconded. Motion carried unanimously.

III. APPROVAL OF THE DECEMBER 5, 2006 MINUTES

Ms. Blystone moved to approve the Minutes. Ms. Bowman seconded the Motion. Motion carried unanimously.

IV. STATUS OF THE FUND

Mr. Cerruti reported a balance forward from fiscal year 2006 of approximately \$4,700,000. There has been a collection of \$418,950 in tank fees, in addition there is approximately \$5,776,000 in petroleum fees for a total revenue of approximately \$11,000,000 to date. Including other expenditures we have expended approximately \$3,500,000 which \$3,200,000 is for the reimbursement of claims associated with the clean up of groundwater and soil. There are current liabilities of \$1,200,000 leaving a remaining Fund balance of \$6,200,000 to date. Staff is recommending the approval of \$1,790,000 in reimbursement for the clean up of soil and groundwater, leaving a balance of \$4,400,000 in the Fund if the Board approves all recommendations. This is based on what would be left in the Fund after reimbursements and collecting between now and June 30, 2007. The forecast for the fiscal year ending on June 30, 2007 will end with a balance of approximately \$10,500,000 in the Fund. This in turn will effect the statute that requires us to turn the fee off for the following fiscal year.

Mr. Cerruti reported that a letter has been provided to the Department of Public Safety and Motor Vehicles along with a copy to Chairman Haycock. The letter reported that the Fund balance will be approximately \$10,500,000 at the end of the fiscal year, at which time the Fund fee will be suspended for a year.

Mr. Cerruti noted that Ms. Bowman had a disagreement at the last Board meeting regarding the balance sheet. Our internal data for tank fees showed a \$400 difference. Mr. Cerruti indicated that was possibly due to returned checks; again there is a difference of approximately \$1,850. Mr. Cerruti will look into this matter between now and the June meeting and will try and have a resolution.

Chairman Haycock inquired to when the specific date the $\frac{3}{4}$ cent a gallon tax would be shut off. Mr. Cerruti stated July 1, 2007.

Chairman Haycock asked “what’s the process for communicating to the relevant parties.”

Mr. Cerruti stated that Ms. Winchell of the DMV could add to his explanation. Based on letters we send out in May of each year, the DMV knows to either continue collecting or suspend the fee. DMV will send out letters prior to June 30th. Ms. Winchell added the letter received from NDEP in turn generates a letter to the suppliers which is posted on the DMV web site, and e-mailed directly to a list of several suppliers. The ¾ cent a gallon tax fee will not be collected as of July 1.

V. DETERMINATION OF FUND ELIGIBILITY / COVERAGE

A. Resolution to Reduce Coverage for 7-Eleven #29660, 3275 S. Eastern Ave., Las Vegas, NV. State Facility No. 8-000443, Petroleum Fund Case No. 2007000004, Resolution No. 2007-01

Mr. Bridwell stated that on September 1, 2005 one of the Underground Storage Tanks (USTs), a 10,000 gallon, single wall fiberglass-constructed premium unleaded gasoline tank at the subject site failed a leak detection system tightness test.

Mr. Bridwell stated that on September 1, 2005, the onsite leak detection system went into alarm mode. On September 7, 2005, 7-Eleven had a UST precision tightness test done. The precision tightness test indicated that the tank had failed, and was leaking from its bottom. 7-Eleven immediately reported the failed precision tightness test to NDEP.

Regulation 40 CFR 280.61(b) requires that immediate action be taken following release confirmation to prevent further release from a leaking tank. The subject UST was not emptied until September 12, 2005, five days following release confirmation. This is in violation of 40 CFR 280.61(b).

On January 11, 2006, 7-Eleven removed all of the UST systems from the site including the one that had failed. On January 16, 2006, 7-Eleven received analytical results of the tank closure soil samples that are required to be taken during tank removal, which verified the presence of contaminated soil associated with the failed UST. 40 CFR 280.50(a) requires that the discovery of such contamination be reported to NDEP within 24 hours of discovery. 7-Eleven reported this discovery to NDEP on March 3, 2006, 51 days following the contaminant discovery.

Board Resolution #94-023 requires NDEP to recommend reductions in Fund coverage pursuant to violations of UST and leaking UST regulations. This Resolution requires a recommendation of a 40% reimbursement reduction for violation of 40 CFR 280.61(b), and a 40% reduction for violation of 40 CFR 280.50(a). The resolution prohibits NDEP to recommend a reduction based on the sum of multiple regulatory violations. Therefore, we are recommending that the subject site receive Fund coverage with a 40% reduction.

Ms. Bowman asked “what happened between September 12 and January 11? Was there a contractor mobilized, was there any gas sold at the facility after September? We didn’t hear anything until all the tanks were removed in January?”

Mr. Bridwell stated that the tank was emptied on September 12, and was removed later in January.

Mr. Grandjean stated that the release was technically reported more than 24 hours after discovery, however SECOR was operating under the impression that the failed tightness test was considered a reportable release, and it was reported immediately upon discovery. Mr. Grandjean called NDEP for a spill report number. Once the tanks were removed, Mr. Grandjean located a case officer at NDEP on March 3rd for a new spill report number.

Chairman Haycock stated that his biggest concern was that the leak detection alarm went off and that 7-Eleven still sold fuel. The tank test failed and 7-Eleven still continued to sell fuel knowing there was a failed tank.

Chairman Haycock stated that 7-Eleven continued to sell fuel for five more days.

Chairman Haycock questioned if this was a violation of 7-Eleven’s policy.

Mr. Partridge stated that they did follow the proper procedure to make sure the tank was taken out of service, but somehow the tank continued to be operated.

Chairman Haycock wanted to know the repercussions relative to the operator of the store that violated policies that were in place. Does he even know that he violated the policy?

Mr. Partridge stated yes.

Ms. Bowman asked Mr. Bridwell if he knew how much extra contamination emanated from the leaking UST after 7-Eleven knew it was leaking.

Mr. Bridwell stated that he could not evaluate how much extra contamination was contributed due to the leaking tank not being emptied for those few extra days. 7-Eleven knew that precision tightness testing had revealed that the tank was leaking from its bottom, therefore any volume of product in that tank was leaking. We've had some cases in the past where it was verified a tank may have a problem in its upper portion, which is called its ullage portion. It makes sense to retail out the rest of the product in the tank if it is below the leaking level, but in this case it was known that the tank was leaking no matter how little product it contained.

Chairman Haycock stated that it was appropriate for the Board to assist the discount to the coverage. The 40% may be strong however it's probably in regards to the fact it took you 51 days to report.

Ms. Blystone moved for adoption of Resolution No. 2007-01, with a 20% reduction of Fund coverage on Agenda Item No. V.A., Ms. Bowman seconded the Motion. Motion carried unanimously.

Mr. Cerruti stated that from NDEP's perspective there are two regulations that apply in cases like this. One deals with UST compliance. It's a regulation to report your failed tightness test, and this enables the department to log it in and follow up from the perspective of compliance to the UST Regulations.

The second Regulation deals with Leaking Underground Storage Tanks (LUSTs). This Regulation enables the LUST part of our department to follow up when they are given a case number.

The two are distinctly different and in the last discussion of that Resolution, admittedly there was some confusion on whether fulfilling the requirement of calling in the UST failed precision tightness test fulfills the requirement of finding and discovering the contamination. Whether it's soil or water above the reportable quantities they're distinctly different regulations and they have two distinctly different pathways within our department.

B. Resolution to Reduce Coverage for 7-Eleven #29648, 4601 E. Sunset Rd., Henderson, NV. State Facility No. 8-000438, Petroleum Fund Case No. 2007000003, Resolution No. 2007-02

Mr. Fischenich stated that there were two coverage issues regarding this site. The first issue is operating a UST system with a known release, and the second is the failure to report a release within 24 hours.

The site formerly included two 10,000 gallon USTs, both of which failed leak detection system-static tests on September 23, 2005. On October 7, 2005 the premium unleaded tank failed a Precision Tightness Test. After the leak was confirmed by the tightness test on October 7, 2005 the UST continued to operate until October 31, 2005. The UST operated for 24 days, receiving two additional shipments of fuel after it was determined that a leak existed. This is in violation of 40 CFR §280.61(b) which requires the owner/operator to take immediate action to prevent any further release to the environment.

On February 23, 2006, hydrocarbon constituents were detected in the soil at the site above state action levels, and was reported to NDEP on March 3, 2006, eight days later. This release was not reported to NDEP within 24 hours, which is a violation of 40 CFR §280.50(a).

Board Resolution No. 94-23 requires NDEP staff to recommend reductions in coverage to the Board pursuant to noncompliance with federal UST and LUST regulations. The Resolution requires staff to recommend a 40% reduction in coverage for noncompliance with 40 CFR §280.50(a), (24 hour release reporting) and a 40% reduction for noncompliance with 40 CFR §280.61(b) (failure to take immediate action to prevent any further release). However, Resolution No. 94-23 only allows NDEP to recommend a reimbursement reduction for the largest percentage allowed with any single non-compliance determination. Therefore, NDEP staff may only recommend a 40% reduction for this case for failure to comply with Federal regulations, pursuant to Resolution No. 94-23.

Mr. Fisichenich discussed a similar resolution passed by the Board. Resolution 2006-13 was heard by the Board on September 7, 2006 regarding another 7-Eleven site, 7-Eleven #26994. In that case, a UST continued to operate after failing a tightness test and the required reporting to NDEP within 24 hours did not occur. For that case, a 40% reduction was also recommended by staff, and authorized by the Board.

In conclusion, NDEP staff's formal recommendation to the Board is the adoption of Resolution #2007-02 as proposed, granting Fund coverage to the subject site with a reduction of 40%, in addition to the 10% co-payment.

Mr. Grandjean indicated that 7-Eleven continued to sell gasoline from the tank with the intention of removing the product. At that time the volume was below 37 hundred gallons. Unfortunately their carrier, even though they were directed to cease delivery as of October 11th, mistakenly delivered two additional shipments of gasoline.

Mr. Grandjean indicated that on October 31st these additional deliveries were discovered, the tank was immediately pumped out, and sales stopped the same day. The release point was determined to be above the fill line at that time, 7-Eleven decided to sell the remainder of the gas in order to reduce the volume, and then remove the tank from service.

Mr. Grandjean stated that on discovery of the findings someone immediately pumped out the tank and ceased sales, within a day the tank was taken out of service. 7-Eleven did notify NDEP about the failed tightness test. 7-Eleven requested that their vendor cease product deliveries immediately and worked quickly to investigate the release source and the fate of the UST. 7-Eleven also kept in close communication with Clark County.

Mr. Grandjean indicated that relating to the last Resolution, as a result of this experience, 7-Eleven has developed new procedures and environmental managements for the future. The release reporting issue is similar to the last Resolution, in terms of reporting the precision tightness test. We discovered later that it wasn't considered a reportable release despite being issued a spill report number. Once discovered we received direction from an NDEP staff member and we reported it the same day as a release.

Ms. Bowman moved for adoption of Resolution No. 2007-02 on Agenda Item No. V.B., Ms. Blystone seconded the Motion. Motion carried unanimously.

VI. EQUIPMENT TRANSFER / SALES

A. Resolution No. 2007-04 to Authorize the Transfer of Equipment Ownership from Mike's Gas-A-Mart, Petroleum Fund Case No. 1994000122, to ARCO Station #399, Petroleum Fund Case No. 1997000024.

Mr. Bridwell explained that Mike's Gas-A-Mart is a facility in Stateline, Nevada. Originally we had reimbursed for the purchase of a remediation system, part of which was a five hundred CFM blower. Mike's Gas-A-Mart stopped using it around June 2005. Now this system is being stored for us by Mike's Gas-A-Mart. The estimated value of the equipment at that time was \$4,500. Another facility receiving reimbursement from us, ARCO Station #399, expressed interest in the equipment. With transfer of this equipment, Mike's Gas-A-Mart site will be credited \$4,500, and the ARCO Station #399 site will be debited \$4,500

Ms. Blystone moved to adopt Agenda Item No. VI.A., Ms. Bowman seconded the Motion. Motion carried unanimously.

VII. ADOPTION OF CONSENT ITEMS

STATE BOARD TO REVIEW CLAIMS

MARCH 8, 2007

HEATING OIL: A

1.#	1992000102H	Lyon County School District: Yerington Elementary
2.#	2006000009H	Susan Sutton: The Sutton Residence
3.#	2006000020H	Bruno Benna: The Benna Residence
4.#	2007000007H	City of Ely: Alley Near Former Bank Club
5.#	2007000011H	Gerry Schendel-Brown: Schendel-Brown Property
6.#	2007000012H	Silvia Steigerwald: Steigerwald Residence
7.#	2007000013H	Churchill County School District: Bus Barn
8.#	2007000017H	Barbara James: James Residence

NEW CASES, OTHER PRODUCTS: B

1.#	2007000002	Berry-Hinckley Industries: Berry-Hinckley #201
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ON GOING CASES/OTHER PRODUCTS: C

1.#	1991000039	7-Eleven, Inc.: 7-Eleven #29643
2.#	1992000014	BP West Coast Products, LLC: ARCO #6068
3.#	1992000034	PDQ Stores, Inc.: PDQ #508
4.#	1992000056	REALM: National Car Rental
5.#	1992000087	Anderson Dairy, Inc.: Anderson Dairy
6.#	1993000010	7-Eleven, Inc.: 7-Eleven #20687
7.#	1993000051	BP West Coast Products LLC: ARCO #4950
8.#	1993000102	Rebel Oil Company: Rebel #8
9.#	1993000103	Russell Yardley: Charlie Brown Construction
10.#	1993000107	BP West Coast Products, LLC: ARCO #5310
11.#	1993000114	Linda Hansen: Zintek Properties
12.#	1993000115	City of Fallon: Former Bootlegger Texaco
13.#	1994000003	Allied Washoe: Allied Petroleum - Reno
14.#	1994000027	7-Eleven, Inc.: 7-Eleven #19653
15.#	1994000028	7-Eleven, Inc.: 7-Eleven #20084
16.#	1994000029	7-Eleven, Inc.: 7-Eleven #20826

ON GOING CASES: CONTINUED

17.#	1994000037	Manjeet Sodhi: Gofer Market
18.#	1994000065	Avis Rent A Car Systems: Avis Rent A Car
19.#	1994000067	Peppermill, Inc.: Former Mesquite Truck Stop
20.#	1994000086	Falconi Motors, Inc.: Falconi's Tropicana Honda
21.#	1994000120	Conoco Phillips Company: Union 76 #3846
22.#	1994000122	Gary Michelsen: Mike's Gas-A-Mart
23.#	1995000022	Conoco Phillips Company: Union 76 #4370
24.#	1995000028	Gita Corporation: Gita Corporation Facility
25.#	1995000029	BP West Coast Products LLC: ARCO #1903
26.#	1995000039	Al Park Petroleum, Inc.: Crescent Valley Market
27.#	1995000042	FBF, Inc.: Fayeghi Texaco
28.#	1995000074	Vera Hester: Glendale Service Facility
29.#	1995000080	Churchill County: Churchill County Road Department
30.#	1995000105	Redman Petroleum Corp.: Redman Petroleum
31.#	1996000026	Moapa Valley Credit Union: Former Russ Auto
32.#	1996000063	Joan Pennachio: V&V Automotive
33.#	1996000064	H&A Esslinger Trust: Red Rock Mini Mart
34.#	1996000101	Conoco Phillips Company: Circle K #695
35.#	1997000008	Ewing Brothers, Inc.
36.#	1997000024	BP West Coast Products LLC: ARCO #399
37.#	1997000039	Shell Oil Products, USA: Incline Shell Station
38.#	1998000025	Washoe Co. School Dist.: Getto Transportation
39.#	1998000046	Willdens Automotive Holdings: Allstate Rent A Car
40.#	1998000053	7-Eleven, Inc.: 7-Eleven #27361
41.#	1998000073	City of Reno: City of Reno Police Station
42.#	1998000075	Robert Dufurrena: McDermitt Service Motel
43.#	1998000080	Seven Crown Resorts: Echo Bay Resort
44.#	1999000007	7-Eleven, Inc.: 7-Eleven #21850
45.#	1999000011	Terrible Herbst Oil Company: Terrible Herbst #133
46.#	1999000012	BP West Coast Products LLC: ARCO #5319
47.#	1999000014	Al Park Petroleum, Inc.: Conoco Pit Stop #7
48.#	1999000015	Terrible Herbst Oil Company: Terrible Herbst #144
49.#	1999000017	Reed, Inc.: Reed R-Place Shell
50.#	1999000022	Terrible Herbst Oil Company: Terrible Herbst #129
51.#	1999000029	Terrible Herbst Oil Company: Terrible Herbst #136
52.#	1999000048	Estate of Robert Cowan: The Lightning Lube
53.#	1999000061	Rich Sorani: Former Rich's Unocal

ON GOING CASES: CONTINUED

54.#	1999000066	Haycock Petroleum Company: Haycock Petroleum
55.#	1999000089	Jerry Maeder: Jerry's Shell
56.#	1999000090	Haycock Petroleum Company: Haycock Petroleum
57.#	1999000104	Terrible Herbst Oil Company: Terrible Herbst #118
58.#	1999000108	Gold Ranch Casino: Gold Ranch Casino
59.#	1999000114	City of Fallon: Fallon Maintenance Yard
60.#	1999000117	Berry-Hinckley Industries: Berry-Hinckley #45
61.#	1999000135	Terrible Herbst Oil Company: Terrible Herbst #106
62.#	1999000155	Varney Padgett: Old Washoe Station
64.#	1999000167	City of Las Vegas: Fire Station #1
65.#	1999000182	Berry-Hinckley Industries: W. Mountain Oil #200
66.#	1999000186	Gloria Pilger: Former D&G Oil Facility
67.#	1999000199	Mary Ann Ferguson: Lakeshore Orbit Station
68.#	1999000204	Berry-Hinckley Industries: Trailside General Store
69.#	1999000224	BP West Coast Products LLC: ARCO #5326
70.#	1999000237	Ralph Lisle: Beatty General Store
71.#	1999000239	Callville Bay Marina: Callville Bay Marina
72.#	1999000248	Southern Wine & Spirits of NV
73.#	1999000257	University of Nevada: Newlands Agriculture
74.#	1999000273	V.K. Leavitt: The Waterhole
75.#	1999000275	Conoco Phillips Company: Circle K #1248
76.#	1999000276	Robert Harris: Pecos Station Texaco
77.#	2004000027	BP West Coast Products LLC: ARCO #5309
78.#	2004000029	V-R Property Management: Gas-N-Save
79.#	2004000035	Seven Crown Resorts: Echo Bay Marina
80.#	2005000002	Carson Valley Oil Co., Inc.: Carson Valley Oil
81.#	2005000004	7-Eleven, Inc.: 7-Eleven #21285
82.#	2005000010	Great Basin College Foundation: Former Fallon Shell
83.#	2005000018	BP West Coast Products LLC: ARCO #1718
84.#	2005000021	Berry-Hinckley Industries: Berry-Hinckley #95
85.#	2005000025	Bordertown, Inc.: Winner's Corner, Cold Springs
86.#	2005000039	Time Oil Company: Taylor Street Market
87.#	2005000044	Ewing Brothers, Inc.
88.#	2006000007	7-Eleven, Inc.: 7-Eleven #33022

Ms. Blystone moved for approval of Item No. VII, Heating Oil, A, 1 through 8, New Cases/Other Products, B, 1, On Going Cases, C, 1 through 88 Ms. Bowman seconded the Motion. Discussion followed.

Ms. Bowman is abstaining from On Going Cases C, Items No. 4 REALM: National Car Rental, Item No. 13 Allied Washoe: Allied Petroleum - Reno, Item No. 18 Avis Rent A Car Systems: Avis Rent A Car, and Item No. 39 Willdens Automotive Holdings: Allstate Rent A Car.

Chairman Haycock disclosed under On Going Cases C, Items No. 54 and 56 Haycock Petroleum Company: Haycock Petroleum; he has a vested interest in those cases and will abstain from voting on those two items.

Motion carried unanimously.

VIII. EXECUTIVE SUMMARY

Mr. Cerruti stated that after he is finished with the Executive Summary he would like to talk about the Federal Energy Policy Act.

Mr. Cerruti reported that for the fiscal year 2007, the Fund had received 17 new cases for evaluation of Petroleum Fund coverage. Since inception of the Fund, 1,291 cases have been evaluated for reimbursement. Currently, there are 161 active remediation sites expected to continue with requests for reimbursement. Of the total cases: 954 cases have been closed; 111 cases have been denied coverage; 44 cases have expired and 21 cases are currently in a pending status. Not counting the reimbursements authorized at today's meeting, over \$131,000,000 has been reimbursed for the clean up of soil and groundwater. To date we have a total of 1,303 facilities registered with the Fund; a total of 3,744 USTs, and 506 above ground petroleum storage tanks. To date we have collected \$420,800 in the annual \$100 tank enrollment fee. Mr. Cerruti mentioned earlier that there was a question about \$1,850, which we should have resolved by the next meeting. The percentage of tank fees that we have collected from those invoiced is now 96%.

Mr. Cerruti discussed the Federal Energy Policy Act, which he referred to as FEPA. It was promised at the last Board meeting that such an update would be presented.

FEPA is being implemented by one of our staff members, Mr. Gravenstein who is one of the UST/LUST program supervisors. Because Mr. Gravenstein could not attend today's meeting, Mr. Cerruti will be handling the presentation. We are in the initial stages of determining the method by which we're going to implement the FEPA.

Mr. Cerruti will be going over the major components of FEPA as this is not the final position of NDEP. A presentation will be made to Board when there is a final implementation of the plan.

Mr. Cerruti stated that one of the concerns regarding FEPA was that it was adopted as an Energy Policy Act and not a regulation. This has presented NDEP with some difficulty. NDEP's authority to implement new regulations is limited. NRS 459.824 indicates that the Director shall administer the provisions of the NRS inclusive in a manner consistent with and not more stringent than the applicable provisions of federal law. At this time FEPA is stricter than the federal law, which requires us to change our regulations. The components of FEPA regarding secondary containment, which deadline passed on February 8, 2007, states that all new tanks within 1,000 feet of drinking water systems must have secondary containment.

Mr. Gravenstein has pointed out to Mr. Cerruti that it only applies to new tanks. Second of all, anything within 1,000 feet of a municipal water system includes all the piping of a municipal water system. In order to implement this part of FEPA, which is secondary containment for all the new tanks, we would have to amend NRS 459.824, or write a new NRS.

The second component of FEPA, which is financial responsibility, is optional instead of secondary containment, we don't see that occurring in Nevada.

The third component of FEPA is product delivery prohibition otherwise known as Red Tag, and again, the deadline has passed. This part of the act would require us to red tag tanks that are not in compliance with FEPA, so product deliveries will not be made to them. Again, this is a part of FEPA that is more strict than current Federal regulations. The Federal regulations have not been changed and FEPA is merely a policy, so Nevada will have to amend NRS 459.

The fourth component of FEPA, UST inspection frequency, requires regulated tank inspection every three years. Currently we meet or exceed that requirement, we're on about a year and a half inspection cycle.

The fifth component of FEPA is operator training, which deadline is August 8th 2009. This requires UST system operators to be certified and therefore they will need to be trained and be certified. Again this means a change in NRS 459.

Mr. Cerruti stated that the last two, the public record and federal facilities report, are merely exercises counting and maintaining some of the statistics on what we are doing. This is our current stand on FEPA. What does this mean to the Board? Once FEPA is implemented, it will probably produce similar affects as did the 1998 upgrade compliance deadlines. Non compliance with FEPA would result in staff coming to the Board and presenting resolutions for reduction of reimbursement based on failure to comply with the requirements of what we adopt as FEPA.

Mr. Cerruti has now opted to retire from state service. This will be his final Petroleum Board meeting.

Ms. Bowman has now opted to retire from the Petroleum Board. This will be her final Petroleum Board meeting as well.

IX. PUBLIC FORUM

There were no requests to speak presented.

X. CONFIRMATION OF NEXT MEETING DATE

It was confirmed that the next meeting date will be June 7, 2007.

XI. ADJOURNMENT

There being no further business, the meeting was adjourned at 11:16 a.m.